

Message Text

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54

ACTION ARA-20

INFO OCT-01 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00 CIEP-02

COME-00 DODE-00 EB-11 FEAE-00 FPC-01 H-03 INR-10

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSE-00 PA-04 USIA-15

PRS-01 DRC-01 /167 W

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P 011439Z JUL 74

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC PRIORITY 4413

LIMITED OFFICIAL USE 5954

E.O. 11652: N/A

TAGS: ENRG, VE

SUBJ: INCREASE IN VENEZUELAN OIL PRICES

1. AN OFFICER OF MINISTRY OF MINES AND HYDROCARBONS TOLD PETATT OVER WEEKEND THAT HIS MINISTER AND MINISTER OF FINANCE HAD REACHED AGREEMENT TO INCREASE PETROLEUM TAX REFERENCE VALUES BY 35 CENTS PER BARREL. HE SAID THAT IN HIS OPINION MOTIVATION FOR MAKING INCREASE LARGER THAN THAT AGREED UPON AT RECENT OPEC MEETING WAS THAT MINISTER VALENTIN HERNANDEZ, WHO HAS BEEN SUBJECT TO NUMBER OF RECENT RUMORS THAT HE WOULD SOON BE LEAVING CABINET, WANTED TO DO SOMETHING TO STRENGTHEN HIS PUBLIC POSITION.

2. MONDAY MORNING'S NEWSPAPERS (JULY 1) CARRY REPORT OF GOVERNMENT ANNOUNCEMENT THAT TAX REFERENCE VALUES WILL INDEED INCREASE BY 35 CENTS PER BARREL ON LIGHT CRUDES (25 DEGREE API AND ABOVE) AND ON LIGHT PRODUCTS. REPORTS OBSERVE THAT THIS INCREASE WOULD CHANGE AVERAGE PETROLEUM TAX REFERENCE VALUE FROM \$14.08 TO \$14.43 PER BARREL AND WOULD RESULT IN AN INCREASE IN TAX PAYMENTS BY OIL COMPANIES OF 24 CENTS PER BARREL.

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3. PRESS ANNOUNCEMENT ALSO SAID THAT TRV INCREASE "WILL BE
COMPLEMENTED BY A MODIFICATION OF THE RATE OF INCOME TAX ON OIL
COMPANY ACTIVITIES, UNDER THE AUTHORITY OF EXTRAORDINARY POWERS
LAW." EMBASSY IS ATTEMPTING TO ASCERTAIN MEANING OF THIS STATEMENT
AND WILL REPORT FURTHER INFORMATION WHEN AVAILABLE.
MCCLINTOCK

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, AGREEMENTS, PRESS COMMENTS, PRICE TRENDS, TAX RATES, BARRELS (CONTAINERS), PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 01 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: shawdg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Executive Order: N/A
Errors: N/A
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Handling Restrictions: n/a
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Review Comment: n/a
Review Content Flags:
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30 JUN 2005

Review Media Identifier:
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Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INCREASE IN VENEZUELAN OIL PRICES
TAGS: ENRG, VE, (HERNANDEZ, VALENTIN)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005